

This letter responds to a survey regarding Telecommunications Excise Tax, invoices and cable TV. See 35 ILCS 630/1. (This is a GIL).

November 1, 2004

Dear Xxxxx:

This letter is in response to your letter dated June 16, 2004, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at [www.ILTAX.com](http://www.ILTAX.com) to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

Please answer the following questions so that we can include accurate, up-to-date information about the taxes in your jurisdiction in our database, in order to help our customers assess taxes properly. Please type or print legibly and email or fax back the survey below to me..

Your help is greatly appreciated.

\*\*\*\*\*

Your Name, Title:

State:

---

Question #1:

Regarding the Illinois Telecommunications Excise Tax, are any miscellaneous charges on a customer's bill for telecommunications taxable? Please answer Yes or No.

Yes \_\_\_\_\_

No \_\_\_\_\_

If yes, please answer below specifically which miscellaneous charges are taxable, including:

Local Number Portability: Yes \_\_\_\_\_ No \_\_\_\_\_

Fees for unpublished numbers: Yes \_\_\_\_\_ No \_\_\_\_\_

Customer account setup fee: Yes \_\_\_\_\_ No \_\_\_\_\_

Expediting fee: Yes \_\_\_\_\_ No \_\_\_\_\_

Early Termination charge: Yes \_\_\_\_\_ No \_\_\_\_\_

Directory advertisement listings: Yes \_\_\_\_\_ No \_\_\_\_\_

Additional listings: Yes \_\_\_\_\_ No \_\_\_\_\_

Please list any other miscellaneous charges that are subject to tax below:

Important: please also provide the source(s) of the above information.

Question #2:

Are Invoice Fees subject to Sales & Use Tax? Please answer Yes or No.

Yes \_\_\_\_\_

No \_\_\_\_\_

Please also provide the source(s) of the above information.

Question #3:

Is the *sale* of cable TV advertising spots taxable? (Note: We are not asking about the *production* of the ads.) Yes / No

Cable TV ads:

Yes, they are taxable. \_\_\_\_\_

No, they are not taxable. \_\_\_\_\_

Please provide the source of the above information:

## DEPARTMENT'S RESPONSE:

We are unable to respond to your survey in the manner requested. General information letters are used to direct taxpayers to the appropriate source of information to enable the taxpayer to make a

determination of tax liability. We are unable to complete each question of your survey at this time due to staff shortages. I hope the following information will guide you in your tax research.

#### Question 1. Telecommunications Excise Tax

- Information regarding the Illinois Telecommunications Excise Tax may be found at 35 ILCS 630/1. The Illinois Telecommunications Excise Tax Act imposes a tax on the act or privilege of originating or receiving intrastate or interstate telecommunications by persons in Illinois at the rate of 7% of the gross charges for such telecommunications purchased at retail from retailers by such persons, 35 ILCS 630/3 and 4. For additional information regarding telecommunications tax liabilities, please refer to 86 Ill. Adm. Code 495.100 et al. In addition, please refer to the Telecommunications Infrastructure Maintenance Fee Act, 35 ILCS 635/1, and the Simplified Municipal Telecommunications Tax Act, 35 ILCS 636/5-1 et. seq.

#### Question 2. Invoice Fees

- We are unable to decipher exactly what fees you mean by the term "invoice fees." In general, all costs of doing business are a part of the gross receipts subject to tax under Illinois law. See 86 Ill. Adm. Code 130.410.

#### Question 3. Sale of Cable TV Advertising Spots.

- The State of Illinois does not tax the sale of Cable TV advertising spots.

I hope this information is helpful. If you require additional information, please visit our website at [www.ILTAX.com](http://www.ILTAX.com) or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Edwin E. Boggess  
Associate Counsel

EEB:msk